

House Engrossed Senate Bill

State of Arizona
Senate
Forty-fifth Legislature
Second Regular Session
2002

CHAPTER 220

SENATE BILL 1470

AN ACT

AMENDING TITLE 14, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 9; RELATING
TO THE UNIFORM CUSTODIAL TRUST ACT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 14, Arizona Revised Statutes, is amended by adding
3 chapter 9, to read:

4 CHAPTER 9

5 UNIFORM CUSTODIAL TRUST ACT

6 ARTICLE 1. GENERAL PROVISIONS

7 14-9101. Definitions

8 IN THIS TITLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "BENEFICIARY" MEANS AN INDIVIDUAL FOR WHOM PROPERTY HAS BEEN
10 TRANSFERRED TO, OR HELD UNDER A DECLARATION OF TRUST BY, A CUSTODIAL TRUSTEE
11 FOR THE INDIVIDUAL'S USE AND BENEFIT UNDER THIS CHAPTER.

12 2. "CONSERVATOR" MEANS A PERSON WHO IS APPOINTED OR QUALIFIED BY A
13 COURT TO MANAGE THE ESTATE OF AN INDIVIDUAL OR WHO IS LEGALLY AUTHORIZED TO
14 PERFORM SUBSTANTIALLY THE SAME FUNCTIONS.

15 3. "COURT" MEANS THE SUPERIOR COURT OF THIS STATE.

16 4. "CUSTODIAL TRUST PROPERTY" MEANS AN INTEREST IN PROPERTY
17 TRANSFERRED TO OR HELD UNDER A DECLARATION OF TRUST BY A CUSTODIAL TRUSTEE
18 UNDER THIS CHAPTER AND THE INCOME FROM AND PROCEEDS OF THAT INTEREST.

19 5. "CUSTODIAL TRUSTEE" MEANS A PERSON WHO IS DESIGNATED AS TRUSTEE OF
20 A CUSTODIAL TRUST UNDER THIS CHAPTER OR A SUBSTITUTE OR SUCCESSOR TO THE
21 PERSON DESIGNATED.

22 6. "GUARDIAN" MEANS A PERSON WHO IS APPOINTED OR QUALIFIED BY A COURT
23 AS A GUARDIAN OF AN INDIVIDUAL, INCLUDING A LIMITED GUARDIAN, BUT NOT A
24 PERSON WHO IS ONLY A GUARDIAN AD LITEM.

25 7. "INCAPACITATED" MEANS LACKING THE ABILITY TO MANAGE PROPERTY AND
26 BUSINESS AFFAIRS EFFECTIVELY BY REASON OF MENTAL ILLNESS, MENTAL DEFICIENCY,
27 PHYSICAL ILLNESS OR DISABILITY, CHRONIC USE OF DRUGS, CHRONIC INTOXICATION,
28 CONFINEMENT, DETENTION BY A FOREIGN POWER, DISAPPEARANCE, MINORITY OR OTHER
29 DISABLING CAUSE.

30 8. "LEGAL REPRESENTATIVE" MEANS A PERSONAL REPRESENTATIVE OR
31 CONSERVATOR.

32 9. "MEMBER OF THE BENEFICIARY'S FAMILY" MEANS A BENEFICIARY'S SPOUSE,
33 DESCENDANT, STEPCHILD, PARENT, STEPPARENT, GRANDPARENT, BROTHER, SISTER,
34 UNCLE OR AUNT, WHETHER OF THE WHOLE OR HALF BLOOD OR BY ADOPTION.

35 10. "PERSON" MEANS AN INDIVIDUAL, CORPORATION, BUSINESS TRUST, ESTATE,
36 TRUST, PARTNERSHIP, JOINT VENTURE, ASSOCIATION OR ANY OTHER LEGAL OR
37 COMMERCIAL ENTITY.

38 11. "PERSONAL REPRESENTATIVE" MEANS AN EXECUTOR, ADMINISTRATOR OR
39 SPECIAL ADMINISTRATOR OF A DECEDENT'S ESTATE, A PERSON LEGALLY AUTHORIZED TO
40 PERFORM SUBSTANTIALLY THE SAME FUNCTIONS OR A SUCCESSOR TO ANY OF THEM.

41 12. "STATE" MEANS A STATE, TERRITORY OR POSSESSION OF THE UNITED
42 STATES, THE DISTRICT OF COLUMBIA OR THE COMMONWEALTH OF PUERTO RICO.

43 13. "TRANSFEROR" MEANS A PERSON WHO CREATES A CUSTODIAL TRUST BY
44 TRANSFER OR DECLARATION.

1 14. "TRUST COMPANY" MEANS A FINANCIAL INSTITUTION, CORPORATION OR
2 OTHER LEGAL ENTITY THAT IS AUTHORIZED TO EXERCISE GENERAL TRUST POWERS.

3 14-9102. Custodial trust; general

4 A. A PERSON MAY CREATE A CUSTODIAL TRUST OF PROPERTY BY A WRITTEN
5 TRANSFER OF THE PROPERTY TO ANOTHER PERSON THAT IS EVIDENCED BY REGISTRATION
6 OR BY ANOTHER INSTRUMENT OF TRANSFER, THAT IS EXECUTED IN ANY LAWFUL MANNER,
7 THAT NAMES AS BENEFICIARY AN INDIVIDUAL WHO MAY BE THE TRANSFEROR AND THAT
8 DESIGNATES THE TRANSFEREE, IN SUBSTANCE, AS CUSTODIAL TRUSTEE UNDER THIS
9 CHAPTER.

10 B. A PERSON MAY CREATE A CUSTODIAL TRUST OF PROPERTY BY A WRITTEN
11 DECLARATION THAT IS EVIDENCED BY REGISTRATION OF THE PROPERTY OR BY ANOTHER
12 INSTRUMENT OF DECLARATION EXECUTED IN ANY LAWFUL MANNER, THAT DESCRIBES THE
13 PROPERTY AND THAT NAMES AS BENEFICIARY AN INDIVIDUAL OTHER THAN THE
14 DECLARANT, AND THAT DESIGNATES THE DECLARANT AS TITLEHOLDER, IN SUBSTANCE,
15 AS CUSTODIAL TRUSTEE UNDER THIS CHAPTER. A REGISTRATION OR OTHER DECLARATION
16 OF TRUST FOR THE SOLE BENEFIT OF THE DECLARANT IS NOT A CUSTODIAL TRUST UNDER
17 THIS CHAPTER.

18 C. TITLE TO CUSTODIAL TRUST PROPERTY IS IN THE CUSTODIAL TRUSTEE AND
19 THE BENEFICIAL INTEREST IS IN THE BENEFICIARY.

20 D. EXCEPT AS PROVIDED IN SUBSECTION E, A TRANSFEROR MAY NOT TERMINATE
21 A CUSTODIAL TRUST.

22 E. THE BENEFICIARY, IF NOT INCAPACITATED, OR THE CONSERVATOR OF AN
23 INCAPACITATED BENEFICIARY MAY TERMINATE A CUSTODIAL TRUST BY DELIVERING TO
24 THE CUSTODIAL TRUSTEE A WRITING SIGNED BY THE BENEFICIARY OR CONSERVATOR
25 DECLARING THE TERMINATION. IF NOT PREVIOUSLY TERMINATED, THE CUSTODIAL TRUST
26 TERMINATES ON THE DEATH OF THE BENEFICIARY.

27 F. ANY PERSON MAY AUGMENT EXISTING CUSTODIAL TRUST PROPERTY BY THE
28 ADDITION OF OTHER PROPERTY PURSUANT TO THIS CHAPTER.

29 G. THE TRANSFEROR MAY DESIGNATE OR AUTHORIZE THE DESIGNATION OF A
30 SUCCESSOR CUSTODIAL TRUSTEE IN THE TRUST INSTRUMENT.

31 H. THIS CHAPTER DOES NOT DISPLACE OR RESTRICT OTHER MEANS OF CREATING
32 TRUSTS. A TRUST WHOSE TERMS DO NOT CONFORM TO THIS CHAPTER MAY BE ENFORCEABLE
33 ACCORDING TO ITS TERMS UNDER OTHER LAW.

34 14-9103. Custodial trustee for future payment or transfer

35 A. A PERSON HAVING THE RIGHT TO DESIGNATE THE RECIPIENT OF PROPERTY
36 PAYABLE OR TRANSFERABLE ON A FUTURE EVENT MAY CREATE A CUSTODIAL TRUST ON THE
37 OCCURRENCE OF THE FUTURE EVENT BY DESIGNATING IN WRITING THE RECIPIENT,
38 FOLLOWED IN SUBSTANCE BY: "AS CUSTODIAL TRUSTEE FOR _____ (NAME OF
39 BENEFICIARY) UNDER THE UNIFORM CUSTODIAL TRUST ACT PURSUANT TO TITLE 14,
40 CHAPTER 9, ARIZONA REVISED STATUTES".

41 B. PERSONS MAY BE DESIGNATED AS SUBSTITUTE OR SUCCESSOR CUSTODIAL
42 TRUSTEES TO WHOM THE PROPERTY MUST BE PAID OR TRANSFERRED IN THE ORDER NAMED
43 IF THE FIRST DESIGNATED CUSTODIAL TRUSTEE IS UNABLE OR UNWILLING TO SERVE.

1 C. A DESIGNATION UNDER THIS SECTION MAY BE MADE IN A WILL, A TRUST,
2 A DEED, A MULTIPLE-PARTY ACCOUNT, AN INSURANCE POLICY, AN INSTRUMENT
3 EXERCISING A POWER OF APPOINTMENT OR A WRITING DESIGNATING A BENEFICIARY OF
4 CONTRACTUAL RIGHTS. OTHERWISE, TO BE EFFECTIVE, THE DESIGNATION MUST BE
5 REGISTERED WITH OR DELIVERED TO THE FIDUCIARY, PAYOR, ISSUER OR OBLIGOR OF
6 THE FUTURE RIGHT.

7 14-9104. Form and effect of receipt and acceptance by custodial
8 trustee; jurisdiction

9 A. OBLIGATIONS OF A CUSTODIAL TRUSTEE, INCLUDING THE OBLIGATION TO
10 FOLLOW DIRECTIONS OF THE BENEFICIARY, ARISE UNDER THIS CHAPTER ON THE
11 CUSTODIAL TRUSTEE'S ACCEPTANCE, EXPRESS OR IMPLIED, OF THE CUSTODIAL TRUST
12 PROPERTY.

13 B. THE CUSTODIAL TRUSTEE'S ACCEPTANCE MAY BE EVIDENCED BY A WRITING
14 STATING IN SUBSTANCE:

15 CUSTODIAL TRUSTEE'S RECEIPT AND ACCEPTANCE

16 I, _____ (NAME OF CUSTODIAL TRUSTEE) ACKNOWLEDGE
17 RECEIPT OF THE CUSTODIAL TRUST PROPERTY DESCRIBED BELOW OR IN
18 THE ATTACHED INSTRUMENT AND ACCEPT THE CUSTODIAL TRUST AS
19 CUSTODIAL TRUSTEE FOR _____ (NAME OF BENEFICIARY)
20 UNDER THE UNIFORM CUSTODIAL TRUST ACT PURSUANT TO TITLE 14,
21 CHAPTER 9, ARIZONA REVISED STATUTES. I UNDERTAKE TO ADMINISTER
22 AND DISTRIBUTE THE CUSTODIAL TRUST PROPERTY PURSUANT TO THE
23 UNIFORM CUSTODIAL TRUST ACT. MY OBLIGATIONS AS CUSTODIAL
24 TRUSTEE ARE SUBJECT TO THE DIRECTIONS OF THE BENEFICIARY UNLESS
25 THE BENEFICIARY IS DESIGNATED AS, IS OR BECOMES INCAPACITATED.
26 THE CUSTODIAL TRUST PROPERTY CONSISTS OF _____.
27 DATED: _____

28 _____
29 (SIGNATURE OF CUSTODIAL TRUSTEE)

30 C. ON ACCEPTING CUSTODIAL TRUST PROPERTY, A PERSON DESIGNATED AS
31 CUSTODIAL TRUSTEE UNDER THIS CHAPTER IS SUBJECT TO PERSONAL JURISDICTION OF
32 THE COURT WITH RESPECT TO ANY MATTER RELATING TO THE CUSTODIAL TRUST.

33 14-9105. Transfer to custodial trustee by fiduciary or obligor;
34 facility of payment

35 A. UNLESS OTHERWISE DIRECTED BY AN INSTRUMENT DESIGNATING A CUSTODIAL
36 TRUSTEE PURSUANT TO SECTION 14-9103, A PERSON, INCLUDING A FIDUCIARY OTHER
37 THAN A CUSTODIAL TRUSTEE, WHO HOLDS PROPERTY OF OR OWES A DEBT TO AN
38 INCAPACITATED INDIVIDUAL NOT HAVING A CONSERVATOR MAY MAKE A TRANSFER TO AN
39 ADULT MEMBER OF THE BENEFICIARY'S FAMILY OR TO A TRUST COMPANY AS CUSTODIAL
40 TRUSTEE FOR THE USE AND BENEFIT OF THE INCAPACITATED INDIVIDUAL. IF THE
41 VALUE OF THE PROPERTY OR THE DEBT EXCEEDS TWENTY THOUSAND DOLLARS, THE
42 TRANSFER IS NOT EFFECTIVE UNLESS AUTHORIZED BY THE COURT.

43 B. A WRITTEN ACKNOWLEDGMENT OF DELIVERY, SIGNED BY A CUSTODIAL
44 TRUSTEE, IS A SUFFICIENT RECEIPT AND DISCHARGE FOR PROPERTY TRANSFERRED TO
45 THE CUSTODIAL TRUSTEE PURSUANT TO THIS SECTION.

1 14-9106. Multiple beneficiaries; separate custodial trusts;
2 survivorship

3 A. BENEFICIAL INTERESTS IN A CUSTODIAL TRUST CREATED FOR MULTIPLE
4 BENEFICIARIES ARE DEEMED TO BE SEPARATE CUSTODIAL TRUSTS OF EQUAL UNDIVIDED
5 INTERESTS FOR EACH BENEFICIARY. EXCEPT IN A TRANSFER OR DECLARATION FOR USE
6 AND BENEFIT OF HUSBAND AND WIFE, FOR WHOM SURVIVORSHIP IS PRESUMED, A RIGHT
7 OF SURVIVORSHIP DOES NOT EXIST UNLESS THE INSTRUMENT CREATING THE CUSTODIAL
8 TRUST SPECIFICALLY PROVIDES FOR SURVIVORSHIP OR SURVIVORSHIP IS REQUIRED AS
9 TO COMMUNITY OR MARITAL PROPERTY.

10 B. CUSTODIAL TRUST PROPERTY HELD UNDER THIS CHAPTER BY THE SAME
11 CUSTODIAL TRUSTEE FOR THE USE AND BENEFIT OF THE SAME BENEFICIARY MAY BE
12 ADMINISTERED AS A SINGLE CUSTODIAL TRUST.

13 C. A CUSTODIAL TRUSTEE OF CUSTODIAL TRUST PROPERTY HELD FOR MORE THAN
14 ONE BENEFICIARY SHALL SEPARATELY ACCOUNT TO EACH BENEFICIARY PURSUANT TO
15 SECTIONS 14-9107 AND 14-9115 FOR THE ADMINISTRATION OF THE CUSTODIAL TRUST.

16 14-9107. General duties of custodial trustee

17 A. IF APPROPRIATE, A CUSTODIAL TRUSTEE SHALL REGISTER OR RECORD THE
18 INSTRUMENT VESTING TITLE TO CUSTODIAL TRUST PROPERTY.

19 B. IF THE BENEFICIARY IS NOT INCAPACITATED, A CUSTODIAL TRUSTEE SHALL
20 FOLLOW THE DIRECTIONS OF THE BENEFICIARY IN THE MANAGEMENT, CONTROL,
21 INVESTMENT OR RETENTION OF THE CUSTODIAL TRUST PROPERTY. IN THE ABSENCE OF
22 EFFECTIVE CONTRARY DIRECTION BY THE BENEFICIARY WHILE NOT INCAPACITATED, THE
23 CUSTODIAL TRUSTEE SHALL OBSERVE THE STANDARD OF CARE THAT WOULD BE OBSERVED
24 BY A PRUDENT PERSON DEALING WITH PROPERTY OF ANOTHER AND IS NOT LIMITED BY
25 ANY OTHER LAW RESTRICTING INVESTMENTS BY FIDUCIARIES, EXCEPT THAT A CUSTODIAL
26 TRUSTEE, IN THE CUSTODIAL TRUSTEE'S DISCRETION, MAY RETAIN ANY CUSTODIAL
27 TRUST PROPERTY RECEIVED FROM THE TRANSFEROR. IF A CUSTODIAL TRUSTEE HAS A
28 SPECIAL SKILL OR EXPERTISE OR IS NAMED CUSTODIAL TRUSTEE ON THE BASIS OF
29 REPRESENTATION OF A SPECIAL SKILL OR EXPERTISE, THE CUSTODIAL TRUSTEE SHALL
30 USE THAT SKILL OR EXPERTISE.

31 C. SUBJECT TO SUBSECTION B, A CUSTODIAL TRUSTEE SHALL TAKE CONTROL OF
32 AND COLLECT, HOLD, MANAGE, INVEST AND REINVEST CUSTODIAL TRUST PROPERTY.

33 D. A CUSTODIAL TRUSTEE AT ALL TIMES SHALL KEEP CUSTODIAL TRUST
34 PROPERTY OF WHICH THE CUSTODIAL TRUSTEE HAS CONTROL SEPARATE FROM ALL OTHER
35 PROPERTY IN A MANNER SUFFICIENT TO IDENTIFY IT CLEARLY AS CUSTODIAL TRUST
36 PROPERTY OF THE BENEFICIARY. CUSTODIAL TRUST PROPERTY, THE TITLE TO WHICH
37 IS SUBJECT TO RECORDATION, IS SO IDENTIFIED IF AN APPROPRIATE INSTRUMENT SO
38 IDENTIFYING THE PROPERTY IS RECORDED, AND CUSTODIAL TRUST PROPERTY SUBJECT
39 TO REGISTRATION IS SO IDENTIFIED IF IT IS REGISTERED, OR HELD IN AN ACCOUNT
40 IN THE NAME OF THE CUSTODIAL TRUSTEE, DESIGNATED IN SUBSTANCE: "AS CUSTODIAL
41 TRUSTEE FOR _____ (NAME OF BENEFICIARY) UNDER THE UNIFORM CUSTODIAL
42 TRUST ACT PURSUANT TO TITLE 14, CHAPTER 9, ARIZONA REVISED STATUTES".

43 E. A CUSTODIAL TRUSTEE SHALL KEEP RECORDS OF ALL TRANSACTIONS WITH
44 RESPECT TO CUSTODIAL TRUST PROPERTY, INCLUDING INFORMATION NECESSARY FOR THE
45 PREPARATION OF TAX RETURNS, AND SHALL MAKE THE RECORDS AND INFORMATION

1 AVAILABLE AT REASONABLE TIMES TO THE BENEFICIARY OR LEGAL REPRESENTATIVE OF
2 THE BENEFICIARY.

3 F. THE EXERCISE OF A DURABLE POWER OF ATTORNEY FOR AN INCAPACITATED
4 BENEFICIARY IS NOT EFFECTIVE TO TERMINATE OR DIRECT THE ADMINISTRATION OR
5 DISTRIBUTION OF A CUSTODIAL TRUST.

6 14-9108. General powers of custodial trustee

7 A. A CUSTODIAL TRUSTEE, ACTING IN A FIDUCIARY CAPACITY, HAS ALL THE
8 RIGHTS AND POWERS OVER CUSTODIAL TRUST PROPERTY THAT AN UNMARRIED ADULT OWNER
9 HAS OVER INDIVIDUALLY OWNED PROPERTY, BUT A CUSTODIAL TRUSTEE MAY EXERCISE
10 THOSE RIGHTS AND POWERS IN A FIDUCIARY CAPACITY ONLY.

11 B. THIS SECTION DOES NOT RELIEVE A CUSTODIAL TRUSTEE FROM LIABILITY
12 FOR A VIOLATION OF SECTION 14-9107.

13 14-9109. Use of custodial trust property

14 A. A CUSTODIAL TRUSTEE SHALL PAY TO THE BENEFICIARY OR EXPEND FOR THE
15 BENEFICIARY'S USE AND BENEFIT AS MUCH OR ALL OF THE CUSTODIAL TRUST PROPERTY
16 AS THE BENEFICIARY WHILE NOT INCAPACITATED MAY DIRECT FROM TIME TO TIME.

17 B. IF THE BENEFICIARY IS INCAPACITATED, THE CUSTODIAL TRUSTEE SHALL
18 EXPEND AS MUCH OR ALL OF THE CUSTODIAL TRUST PROPERTY AS THE CUSTODIAL
19 TRUSTEE CONSIDERS ADVISABLE FOR THE USE AND BENEFIT OF THE BENEFICIARY AND
20 INDIVIDUALS WHO WERE SUPPORTED BY THE BENEFICIARY WHEN THE BENEFICIARY BECAME
21 INCAPACITATED OR WHO ARE LEGALLY ENTITLED TO SUPPORT BY THE BENEFICIARY.
22 EXPENDITURES MAY BE MADE IN THE MANNER, WHEN AND TO THE EXTENT THAT THE
23 CUSTODIAL TRUSTEE DETERMINES SUITABLE AND PROPER, WITHOUT COURT ORDER AND
24 WITHOUT REGARD TO OTHER SUPPORT, INCOME OR PROPERTY OF THE BENEFICIARY.

25 C. A CUSTODIAL TRUSTEE MAY ESTABLISH CHECKING, SAVINGS OR OTHER
26 SIMILAR ACCOUNTS OF REASONABLE AMOUNTS THAT EITHER THE CUSTODIAL TRUSTEE OR
27 THE BENEFICIARY MAY WITHDRAW FUNDS FROM OR DRAW CHECKS AGAINST. FUNDS
28 WITHDRAWN FROM OR CHECKS WRITTEN AGAINST THE ACCOUNT BY THE BENEFICIARY ARE
29 DISTRIBUTIONS OF CUSTODIAL TRUST PROPERTY BY THE CUSTODIAL TRUSTEE TO THE
30 BENEFICIARY.

31 14-9110. Determination of incapacity; effect

32 A. THE CUSTODIAL TRUSTEE SHALL ADMINISTER THE CUSTODIAL TRUST AS FOR
33 AN INCAPACITATED BENEFICIARY IF EITHER:

34 1. THE CUSTODIAL TRUST WAS CREATED UNDER SECTION 14-9105.

35 2. THE TRANSFEROR HAS SO DIRECTED IN THE INSTRUMENT CREATING THE
36 CUSTODIAL TRUST.

37 3. THE CUSTODIAL TRUSTEE HAS DETERMINED THAT THE BENEFICIARY IS
38 INCAPACITATED.

39 B. A CUSTODIAL TRUSTEE MAY DETERMINE THAT THE BENEFICIARY IS
40 INCAPACITATED BY RELYING ON:

41 1. PREVIOUS DIRECTION OR AUTHORITY GIVEN BY THE BENEFICIARY WHILE NOT
42 INCAPACITATED, INCLUDING DIRECTION OR AUTHORITY PURSUANT TO A DURABLE POWER
43 OF ATTORNEY.

44 2. THE CERTIFICATE OF THE BENEFICIARY'S PHYSICIAN.

45 3. OTHER PERSUASIVE EVIDENCE.

1 C. IF A CUSTODIAL TRUSTEE FOR AN INCAPACITATED BENEFICIARY REASONABLY
2 CONCLUDES THAT THE BENEFICIARY'S INCAPACITY HAS CEASED OR THAT CIRCUMSTANCES
3 CONCERNING THE BENEFICIARY'S ABILITY TO MANAGE PROPERTY AND BUSINESS AFFAIRS
4 HAVE CHANGED SINCE THE CREATION OF A CUSTODIAL TRUST DIRECTING ADMINISTRATION
5 AS FOR AN INCAPACITATED BENEFICIARY, THE CUSTODIAL TRUSTEE MAY ADMINISTER THE
6 TRUST AS FOR A BENEFICIARY WHO IS NOT INCAPACITATED.

7 D. ON PETITION OF THE BENEFICIARY, CUSTODIAL TRUSTEE OR OTHER PERSON
8 INTERESTED IN THE CUSTODIAL TRUST PROPERTY OR THE WELFARE OF THE BENEFICIARY,
9 THE COURT SHALL DETERMINE WHETHER THE BENEFICIARY IS INCAPACITATED.

10 E. ABSENT A DETERMINATION OF INCAPACITY OF THE BENEFICIARY UNDER
11 SUBSECTION B OR D OF THIS SECTION, A CUSTODIAL TRUSTEE WHO HAS REASON TO
12 BELIEVE THAT THE BENEFICIARY IS INCAPACITATED SHALL ADMINISTER THE CUSTODIAL
13 TRUST IN ACCORDANCE WITH THE PROVISIONS OF THIS CHAPTER APPLICABLE TO AN
14 INCAPACITATED BENEFICIARY.

15 F. INCAPACITY OF A BENEFICIARY DOES NOT TERMINATE:

16 1. THE CUSTODIAL TRUST.

17 2. ANY DESIGNATION OF A SUCCESSOR CUSTODIAL TRUSTEE.

18 3. RIGHTS OR POWERS OF THE CUSTODIAL TRUSTEE.

19 4. ANY IMMUNITIES OF THIRD PERSONS ACTING ON INSTRUCTIONS OF THE
20 CUSTODIAL TRUSTEE.

21 14-9111. Exemption of third person from liability

22 A THIRD PERSON IN GOOD FAITH AND WITHOUT A COURT ORDER MAY ACT ON THE
23 INSTRUCTIONS OF OR OTHERWISE DEAL WITH A PERSON WHO IS PURPORTING TO MAKE A
24 TRANSFER AS OR TO ACT IN THE CAPACITY OF A CUSTODIAL TRUSTEE. IN THE ABSENCE
25 OF KNOWLEDGE TO THE CONTRARY, THE THIRD PERSON IS NOT RESPONSIBLE FOR
26 DETERMINING:

27 1. THE VALIDITY OF THE PURPORTED CUSTODIAL TRUSTEE'S DESIGNATION.

28 2. THE PROPRIETY OF, OR THE AUTHORITY UNDER THIS CHAPTER FOR, ANY
29 ACTION OF THE PURPORTED CUSTODIAL TRUSTEE.

30 3. THE VALIDITY OR PROPRIETY OF AN INSTRUMENT EXECUTED OR INSTRUCTION
31 GIVEN PURSUANT TO THIS CHAPTER EITHER BY THE PERSON PURPORTING TO MAKE A
32 TRANSFER OR DECLARATION OR BY THE PURPORTED CUSTODIAL TRUSTEE.

33 4. THE PROPRIETY OF THE APPLICATION OF PROPERTY VESTED IN THE
34 PURPORTED CUSTODIAL TRUSTEE.

35 14-9112. Liability to third person

36 A. A CLAIM BASED ON A CONTRACT ENTERED INTO BY A CUSTODIAL TRUSTEE
37 ACTING IN A FIDUCIARY CAPACITY, AN OBLIGATION ARISING FROM THE OWNERSHIP OR
38 CONTROL OF CUSTODIAL TRUST PROPERTY OR A TORT COMMITTED IN THE COURSE OF
39 ADMINISTERING THE CUSTODIAL TRUST MAY BE ASSERTED BY A THIRD PERSON AGAINST
40 THE CUSTODIAL TRUST PROPERTY BY PROCEEDING AGAINST THE CUSTODIAL TRUSTEE IN
41 A FIDUCIARY CAPACITY, WHETHER OR NOT THE CUSTODIAL TRUSTEE OR THE BENEFICIARY
42 IS PERSONALLY LIABLE.

43 B. A CUSTODIAL TRUSTEE IS NOT PERSONALLY LIABLE TO A THIRD PERSON:

1 1. ON A CONTRACT PROPERLY ENTERED INTO IN A FIDUCIARY CAPACITY UNLESS
2 THE CUSTODIAL TRUSTEE FAILS TO REVEAL THAT CAPACITY OR TO IDENTIFY THE
3 CUSTODIAL TRUST IN THE CONTRACT.

4 2. FOR AN OBLIGATION ARISING FROM CONTROL OF CUSTODIAL TRUST PROPERTY
5 OR FOR A TORT COMMITTED IN THE COURSE OF THE ADMINISTRATION OF THE CUSTODIAL
6 TRUST UNLESS THE CUSTODIAL TRUSTEE IS PERSONALLY AT FAULT.

7 C. A BENEFICIARY IS NOT PERSONALLY LIABLE TO A THIRD PERSON FOR AN
8 OBLIGATION ARISING FROM BENEFICIAL OWNERSHIP OF CUSTODIAL TRUST PROPERTY OR
9 FOR A TORT COMMITTED IN THE COURSE OF ADMINISTRATION OF THE CUSTODIAL TRUST
10 UNLESS THE BENEFICIARY IS PERSONALLY IN POSSESSION OF THE CUSTODIAL TRUST
11 PROPERTY GIVING RISE TO THE LIABILITY OR IS PERSONALLY AT FAULT.

12 D. SUBSECTIONS B AND C DO NOT PRECLUDE ACTIONS OR PROCEEDINGS TO
13 ESTABLISH LIABILITY OF THE CUSTODIAL TRUSTEE OR BENEFICIARY TO THE EXTENT THE
14 PERSON SUED IS PROTECTED AS THE INSURED BY LIABILITY INSURANCE.

15 14-9113. Declination, resignation, incapacity, death or removal
16 of custodial trustee; designation of successor
17 custodial trustee

18 A. BEFORE ACCEPTING THE CUSTODIAL TRUST PROPERTY, A PERSON DESIGNATED
19 AS CUSTODIAL TRUSTEE MAY DECLINE TO SERVE BY NOTIFYING THE PERSON WHO MADE
20 THE DESIGNATION, THE TRANSFEROR OR THE TRANSFEROR'S LEGAL REPRESENTATIVE. IF
21 AN EVENT GIVING RISE TO A TRANSFER HAS NOT OCCURRED, THE SUBSTITUTE CUSTODIAL
22 TRUSTEE DESIGNATED UNDER SECTION 14-9103 BECOMES THE CUSTODIAL TRUSTEE OR,
23 IF A SUBSTITUTE CUSTODIAL TRUSTEE HAS NOT BEEN DESIGNATED, THE PERSON WHO
24 MADE THE DESIGNATION MAY DESIGNATE A SUBSTITUTE CUSTODIAL TRUSTEE PURSUANT
25 TO SECTION 14-9103. IN OTHER CASES, THE TRANSFEROR OR THE TRANSFEROR'S LEGAL
26 REPRESENTATIVE MAY DESIGNATE A SUBSTITUTE CUSTODIAL TRUSTEE.

27 B. A CUSTODIAL TRUSTEE WHO HAS ACCEPTED THE CUSTODIAL TRUST PROPERTY
28 MAY RESIGN BY DOING BOTH OF THE FOLLOWING:

29 1. DELIVERING WRITTEN NOTICE TO A SUCCESSOR CUSTODIAL TRUSTEE, IF ANY,
30 THE BENEFICIARY AND, IF THE BENEFICIARY IS INCAPACITATED, TO THE
31 BENEFICIARY'S CONSERVATOR, IF ANY.

32 2. TRANSFERRING OR REGISTERING, OR RECORDING AN APPROPRIATE INSTRUMENT
33 RELATING TO, THE CUSTODIAL TRUST PROPERTY, IN THE NAME OF, AND DELIVERING THE
34 RECORDS TO, THE SUCCESSOR CUSTODIAL TRUSTEE IDENTIFIED UNDER SUBSECTION C OF
35 THIS SECTION.

36 C. IF A CUSTODIAL TRUSTEE OR SUCCESSOR CUSTODIAL TRUSTEE IS
37 INELIGIBLE, RESIGNS, DIES OR BECOMES INCAPACITATED, THE SUCCESSOR WHO IS
38 DESIGNATED UNDER SECTION 14-9102, SUBSECTION G OR SECTION 14-9103 BECOMES THE
39 CUSTODIAL TRUSTEE. IF THERE IS NO EFFECTIVE PROVISION FOR A SUCCESSOR, THE
40 BENEFICIARY, IF NOT INCAPACITATED, MAY DESIGNATE A SUCCESSOR CUSTODIAL
41 TRUSTEE. IF THE BENEFICIARY IS INCAPACITATED OR FAILS TO ACT WITHIN NINETY
42 DAYS AFTER THE INELIGIBILITY, RESIGNATION, DEATH OR INCAPACITY OF THE
43 CUSTODIAL TRUSTEE, THE BENEFICIARY'S CONSERVATOR BECOMES THE SUCCESSOR
44 CUSTODIAL TRUSTEE. IF THE BENEFICIARY DOES NOT HAVE A CONSERVATOR OR THE

1 CONSERVATOR FAILS TO ACT, THE RESIGNING CUSTODIAL TRUSTEE MAY DESIGNATE A
2 SUCCESSOR CUSTODIAL TRUSTEE.

3 D. IF A SUCCESSOR CUSTODIAL TRUSTEE IS NOT DESIGNATED PURSUANT TO
4 SUBSECTION C OF THIS SECTION, THE TRANSFEROR, THE LEGAL REPRESENTATIVE OF THE
5 TRANSFEROR OR OF THE CUSTODIAL TRUSTEE, AN ADULT MEMBER OF THE BENEFICIARY'S
6 FAMILY, THE GUARDIAN OF THE BENEFICIARY, A PERSON INTERESTED IN THE CUSTODIAL
7 TRUST PROPERTY OR A PERSON INTERESTED IN THE WELFARE OF THE BENEFICIARY MAY
8 PETITION THE COURT TO DESIGNATE A SUCCESSOR CUSTODIAL TRUSTEE.

9 E. A CUSTODIAL TRUSTEE WHO DECLINES TO SERVE OR WHO RESIGNS OR THE
10 LEGAL REPRESENTATIVE OF A DECEASED OR INCAPACITATED CUSTODIAL TRUSTEE, AS
11 SOON AS PRACTICABLE, SHALL PUT THE CUSTODIAL TRUST PROPERTY AND RECORDS IN
12 THE POSSESSION AND CONTROL OF THE SUCCESSOR CUSTODIAL TRUSTEE. THE SUCCESSOR
13 CUSTODIAL TRUSTEE MAY ENFORCE THE OBLIGATION TO DELIVER CUSTODIAL TRUST
14 PROPERTY AND RECORDS AND BECOMES RESPONSIBLE FOR EACH ITEM AS RECEIVED.

15 F. A BENEFICIARY, THE BENEFICIARY'S CONSERVATOR, AN ADULT MEMBER OF
16 THE BENEFICIARY'S FAMILY, A GUARDIAN OF THE PERSON OF THE BENEFICIARY, A
17 PERSON INTERESTED IN THE CUSTODIAL TRUST PROPERTY OR A PERSON INTERESTED IN
18 THE WELFARE OF THE BENEFICIARY MAY PETITION THE COURT TO REMOVE THE CUSTODIAL
19 TRUSTEE FOR CAUSE AND DESIGNATE A SUCCESSOR CUSTODIAL TRUSTEE, TO REQUIRE THE
20 CUSTODIAL TRUSTEE TO FURNISH A BOND OR OTHER SECURITY FOR THE FAITHFUL
21 PERFORMANCE OF FIDUCIARY DUTIES OR FOR OTHER APPROPRIATE RELIEF.

22 14-9114. Expenses, compensation and bond of custodial trustee

23 EXCEPT AS OTHERWISE PROVIDED IN THE INSTRUMENT CREATING THE CUSTODIAL
24 TRUST, IN AN AGREEMENT WITH THE BENEFICIARY OR BY COURT ORDER, A CUSTODIAL
25 TRUSTEE:

26 1. IS ENTITLED TO REIMBURSEMENT FROM CUSTODIAL TRUST PROPERTY FOR
27 REASONABLE EXPENSES INCURRED IN THE PERFORMANCE OF FIDUCIARY SERVICES.

28 2. HAS A NONCUMULATIVE ELECTION, TO BE MADE NOT LATER THAN SIX MONTHS
29 AFTER THE END OF EACH CALENDAR YEAR, TO CHARGE A REASONABLE COMPENSATION FOR
30 FIDUCIARY SERVICES PERFORMED DURING THAT YEAR.

31 3. NEED NOT FURNISH A BOND OR OTHER SECURITY FOR THE FAITHFUL
32 PERFORMANCE OF FIDUCIARY DUTIES.

33 14-9115. Reporting and accounting by custodial trustee;
34 determination of liability of custodial trustee

35 A. ON THE ACCEPTANCE OF CUSTODIAL TRUST PROPERTY, THE CUSTODIAL
36 TRUSTEE SHALL PROVIDE A WRITTEN STATEMENT DESCRIBING THE CUSTODIAL TRUST
37 PROPERTY AND SHALL THEREAFTER PROVIDE A WRITTEN STATEMENT OF THE
38 ADMINISTRATION OF THE CUSTODIAL TRUST PROPERTY:

39 1. ONCE EACH YEAR.

40 2. ON REQUEST AT REASONABLE TIMES BY THE BENEFICIARY OR THE
41 BENEFICIARY'S LEGAL REPRESENTATIVE.

42 3. ON RESIGNATION OR REMOVAL OF THE CUSTODIAL TRUSTEE.

43 4. ON TERMINATION OF THE CUSTODIAL TRUST. THE STATEMENTS MUST BE
44 PROVIDED TO THE BENEFICIARY OR TO THE BENEFICIARY'S LEGAL REPRESENTATIVE, IF
45 ANY. ON TERMINATION OF THE BENEFICIARY'S INTEREST, THE CUSTODIAL TRUSTEE

1 SHALL FURNISH A CURRENT STATEMENT TO THE PERSON TO WHOM THE CUSTODIAL TRUST
2 PROPERTY IS TO BE DELIVERED.

3 B. A BENEFICIARY, THE BENEFICIARY'S LEGAL REPRESENTATIVE, AN ADULT
4 MEMBER OF THE BENEFICIARY'S FAMILY, A PERSON INTERESTED IN THE CUSTODIAL
5 TRUST PROPERTY OR A PERSON INTERESTED IN THE WELFARE OF THE BENEFICIARY MAY
6 PETITION THE COURT FOR AN ACCOUNTING BY THE CUSTODIAL TRUSTEE OR THE
7 CUSTODIAL TRUSTEE'S LEGAL REPRESENTATIVE.

8 C. A SUCCESSOR CUSTODIAL TRUSTEE MAY PETITION THE COURT FOR AN
9 ACCOUNTING BY A PREDECESSOR CUSTODIAL TRUSTEE.

10 D. IN AN ACTION OR PROCEEDING UNDER THIS CHAPTER OR IN ANY OTHER
11 PROCEEDING, THE COURT MAY REQUIRE OR PERMIT THE CUSTODIAL TRUSTEE OR THE
12 CUSTODIAL TRUSTEE'S LEGAL REPRESENTATIVE TO ACCOUNT. THE CUSTODIAL TRUSTEE
13 OR THE CUSTODIAL TRUSTEE'S LEGAL REPRESENTATIVE MAY PETITION THE COURT FOR
14 APPROVAL OF FINAL ACCOUNTS.

15 E. IF A CUSTODIAL TRUSTEE IS REMOVED, THE COURT SHALL REQUIRE AN
16 ACCOUNTING AND ORDER DELIVERY OF THE CUSTODIAL TRUST PROPERTY AND RECORDS TO
17 THE SUCCESSOR CUSTODIAL TRUSTEE AND THE EXECUTION OF ALL INSTRUMENTS REQUIRED
18 FOR TRANSFER OF THE CUSTODIAL TRUST PROPERTY.

19 F. ON PETITION OF THE CUSTODIAL TRUSTEE OR ANY PERSON WHO COULD
20 PETITION FOR AN ACCOUNTING, THE COURT, AFTER NOTICE TO INTERESTED PERSONS,
21 MAY ISSUE INSTRUCTIONS TO THE CUSTODIAL TRUSTEE OR REVIEW THE PROPRIETY OF
22 THE ACTS OF A CUSTODIAL TRUSTEE OR THE REASONABLENESS OF COMPENSATION
23 DETERMINED BY THE CUSTODIAL TRUSTEE FOR THE SERVICES OF THE CUSTODIAL TRUSTEE
24 OR OTHERS.

25 14-9116. Limitations of action against custodial trustee

26 A. EXCEPT AS PROVIDED IN SUBSECTION C, UNLESS PREVIOUSLY BARRED BY
27 ADJUDICATION, CONSENT OR LIMITATION, A CLAIM FOR RELIEF AGAINST A CUSTODIAL
28 TRUSTEE FOR ACCOUNTING OR BREACH OF DUTY IS BARRED AS TO A BENEFICIARY, A
29 PERSON TO WHOM CUSTODIAL TRUST PROPERTY IS TO BE PAID OR DELIVERED OR THE
30 LEGAL REPRESENTATIVE OF AN INCAPACITATED OR DECEASED BENEFICIARY OR PAYEE WHO
31 EITHER:

32 1. HAS RECEIVED A FINAL ACCOUNT OR STATEMENT FULLY DISCLOSING THE
33 MATTER UNLESS AN ACTION OR PROCEEDING TO ASSERT THE CLAIM IS COMMENCED WITHIN
34 TWO YEARS AFTER RECEIPT OF THE FINAL ACCOUNT OR STATEMENT.

35 2. HAS NOT RECEIVED A FINAL ACCOUNT OR STATEMENT FULLY DISCLOSING THE
36 MATTER UNLESS AN ACTION OR PROCEEDING TO ASSERT THE CLAIM IS COMMENCED WITHIN
37 THREE YEARS AFTER THE TERMINATION OF THE CUSTODIAL TRUST.

38 B. EXCEPT AS PROVIDED IN SUBSECTION C, A CLAIM FOR RELIEF TO RECOVER
39 FROM A CUSTODIAL TRUSTEE FOR FRAUD, MISREPRESENTATION OR CONCEALMENT RELATED
40 TO THE FINAL SETTLEMENT OF THE CUSTODIAL TRUST OR CONCEALMENT OF THE
41 EXISTENCE OF THE CUSTODIAL TRUST IS BARRED UNLESS AN ACTION OR PROCEEDING TO
42 ASSERT THE CLAIM IS COMMENCED WITHIN FIVE YEARS AFTER THE TERMINATION OF THE
43 CUSTODIAL TRUST.

1 C. A CLAIM FOR RELIEF IS NOT BARRED BY THIS SECTION IF THE CLAIMANT
2 EITHER:

3 1. IS A MINOR, UNTIL THE EARLIER OF TWO YEARS AFTER THE CLAIMANT
4 BECOMES AN ADULT OR DIES.

5 2. IS AN INCAPACITATED ADULT, UNTIL THE EARLIEST OF TWO YEARS AFTER:

6 (a) THE APPOINTMENT OF A CONSERVATOR.

7 (b) THE REMOVAL OF THE INCAPACITY.

8 (c) THE DEATH OF THE CLAIMANT.

9 3. WAS AN ADULT, NOW DECEASED, WHO WAS NOT INCAPACITATED, UNTIL TWO
10 YEARS AFTER THE CLAIMANT'S DEATH.

11 14-9117. Distribution on termination

12 A. ON THE TERMINATION OF A CUSTODIAL TRUST, THE CUSTODIAL TRUSTEE
13 SHALL TRANSFER THE UNEXPENDED CUSTODIAL TRUST PROPERTY:

14 1. TO THE BENEFICIARY, IF NOT INCAPACITATED OR DECEASED.

15 2. TO THE CONSERVATOR OR OTHER RECIPIENT DESIGNATED BY THE COURT FOR
16 AN INCAPACITATED BENEFICIARY.

17 3. ON THE BENEFICIARY'S DEATH, IN THE FOLLOWING ORDER:

18 (a) AS LAST DIRECTED IN A WRITING SIGNED BY THE DECEASED BENEFICIARY
19 WHILE NOT INCAPACITATED AND RECEIVED BY THE CUSTODIAL TRUSTEE DURING THE LIFE
20 OF THE DECEASED BENEFICIARY.

21 (b) TO THE SURVIVOR OF MULTIPLE BENEFICIARIES IF SURVIVORSHIP IS
22 PROVIDED FOR PURSUANT TO SECTION 14-9106.

23 (c) AS DESIGNATED IN THE INSTRUMENT CREATING THE CUSTODIAL TRUST.

24 (d) TO THE ESTATE OF THE DECEASED BENEFICIARY.

25 B. IF, WHEN THE CUSTODIAL TRUST WOULD OTHERWISE TERMINATE, THE
26 DISTRIBUTE IS INCAPACITATED, THE CUSTODIAL TRUST CONTINUES FOR THE USE AND
27 BENEFIT OF THE DISTRIBUTE AS BENEFICIARY UNTIL THE INCAPACITY IS REMOVED OR
28 THE CUSTODIAL TRUST IS OTHERWISE TERMINATED.

29 C. THE DEATH OF A BENEFICIARY DOES NOT TERMINATE THE POWER OF THE
30 CUSTODIAL TRUSTEE TO DISCHARGE OBLIGATIONS OF THE CUSTODIAL TRUSTEE OR
31 BENEFICIARY INCURRED BEFORE THE TERMINATION OF THE CUSTODIAL TRUST.

32 14-9118. Methods and forms for creating custodial trusts

33 A. IF A TRANSACTION, INCLUDING A DECLARATION WITH RESPECT TO OR A
34 TRANSFER OF SPECIFIC PROPERTY, OTHERWISE SATISFIES APPLICABLE LAW, THE
35 CRITERIA OF SECTION 14-9102 ARE SATISFIED BY EITHER:

36 1. THE EXECUTION AND EITHER DELIVERY TO THE CUSTODIAL TRUSTEE OR
37 RECORDING OF AN INSTRUMENT IN SUBSTANTIALLY THE FOLLOWING FORM:

38 TRANSFER UNDER THE ARIZONA
39 UNIFORM CUSTODIAL TRUST ACT

40 I, _____ (NAME OF TRANSFEROR OR NAME AND
41 REPRESENTATIVE CAPACITY IF A FIDUCIARY), TRANSFER TO
42 _____ (NAME OF TRUSTEE OTHER THAN TRANSFEROR), AS
43 CUSTODIAL TRUSTEE FOR _____ (NAME OF BENEFICIARY)
44 AS BENEFICIARY AND _____ AS DISTRIBUTE ON
45 TERMINATION OF THE TRUST IN ABSENCE OF DIRECTION BY THE

1 BENEFICIARY UNDER THE ARIZONA UNIFORM CUSTODIAL TRUST ACT, THE
2 FOLLOWING:

3 _____ (INSERT
4 A DESCRIPTION OF THE CUSTODIAL TRUST PROPERTY LEGALLY SUFFICIENT
5 TO IDENTIFY AND TRANSFER EACH ITEM OF PROPERTY).
6 DATED: _____

7 _____
8 (SIGNATURE).

9 2. THE EXECUTION AND THE RECORDING OR GIVING NOTICE OF ITS EXECUTION
10 TO THE BENEFICIARY OF AN INSTRUMENT IN SUBSTANTIALLY THE FOLLOWING FORM:

11 DECLARATION OF TRUST UNDER THE ARIZONA
12 UNIFORM CUSTODIAL TRUST ACT

13 I, _____ (NAME OF OWNER OF PROPERTY), DECLARE
14 THAT I HOLD AS CUSTODIAL TRUSTEE FOR _____ (NAME
15 OF BENEFICIARY OTHER THAN TRANSFEROR) AS BENEFICIARY AND
16 _____ AS DISTRIBUTE ON TERMINATION OF THE
17 TRUST IN ABSENCE OF DIRECTION BY THE BENEFICIARY UNDER THE
18 ARIZONA UNIFORM CUSTODIAL TRUST ACT, THE FOLLOWING:

19 _____
20 (INSERT A DESCRIPTION OF THE CUSTODIAL TRUST PROPERTY LEGALLY
21 SUFFICIENT TO IDENTIFY AND TRANSFER EACH ITEM OF PROPERTY).

22 DATED: _____
23 _____

24 (SIGNATURE)

25 B. CUSTOMARY METHODS OF TRANSFERRING OR EVIDENCING OWNERSHIP OF
26 PROPERTY MAY BE USED TO CREATE A CUSTODIAL TRUST, INCLUDING ANY OF THE
27 FOLLOWING:

28 1. REGISTRATION OF A SECURITY IN THE NAME OF A TRUST COMPANY, AN ADULT
29 OTHER THAN THE TRANSFEROR OR THE TRANSFEROR IF THE BENEFICIARY IS OTHER THAN
30 THE TRANSFEROR, DESIGNATED IN SUBSTANCE: "AS CUSTODIAL TRUSTEE FOR
31 _____ (NAME OF BENEFICIARY) UNDER THE UNIFORM CUSTODIAL TRUST ACT
32 PURSUANT TO TITLE 14, CHAPTER 9, ARIZONA REVISED STATUTES".

33 2. DELIVERY OF A CERTIFICATED SECURITY OR A DOCUMENT NECESSARY FOR THE
34 TRANSFER OF AN UNCERTIFICATED SECURITY, TOGETHER WITH ANY NECESSARY
35 ENDORSEMENT, TO AN ADULT OTHER THAN THE TRANSFEROR OR TO A TRUST COMPANY AS
36 CUSTODIAL TRUSTEE, ACCOMPANIED BY AN INSTRUMENT IN SUBSTANTIALLY THE FORM
37 PRESCRIBED IN SUBSECTION A OF THIS SECTION.

38 3. PAYMENT OF MONEY OR TRANSFER OF A SECURITY HELD IN THE NAME OF A
39 BROKER OR A FINANCIAL INSTITUTION OR ITS NOMINEE TO A BROKER OR FINANCIAL
40 INSTITUTION FOR CREDIT TO AN ACCOUNT IN THE NAME OF A TRUST COMPANY, AN ADULT
41 OTHER THAN THE TRANSFEROR OR THE TRANSFEROR IF THE BENEFICIARY IS OTHER THAN
42 THE TRANSFEROR, DESIGNATED IN SUBSTANCE: "AS CUSTODIAL TRUSTEE FOR
43 _____ (NAME OF BENEFICIARY) UNDER THE UNIFORM CUSTODIAL TRUST ACT
44 PURSUANT TO TITLE 14, CHAPTER 9, ARIZONA REVISED STATUTES".

1 4. REGISTRATION OF OWNERSHIP OF A LIFE OR ENDOWMENT INSURANCE POLICY
2 OR ANNUITY CONTRACT WITH THE ISSUER IN THE NAME OF A TRUST COMPANY, AN ADULT
3 OTHER THAN THE TRANSFEROR OR THE TRANSFEROR IF THE BENEFICIARY IS OTHER THAN
4 THE TRANSFEROR, DESIGNATED IN SUBSTANCE: "AS CUSTODIAL TRUSTEE FOR
5 _____ (NAME OF BENEFICIARY) UNDER THE UNIFORM CUSTODIAL TRUST ACT
6 PURSUANT TO TITLE 14, CHAPTER 9, ARIZONA REVISED STATUTES".

7 5. DELIVERY OF A WRITTEN ASSIGNMENT TO AN ADULT OTHER THAN THE
8 TRANSFEROR OR TO A TRUST COMPANY WHOSE NAME IN THE ASSIGNMENT IS DESIGNATED
9 IN SUBSTANCE BY THE WORDS: "AS CUSTODIAL TRUSTEE FOR _____ (NAME
10 OF BENEFICIARY) UNDER THE UNIFORM CUSTODIAL TRUST ACT PURSUANT TO TITLE 14,
11 CHAPTER 9, ARIZONA REVISED STATUTES".

12 6. IRREVOCABLE EXERCISE OF A POWER OF APPOINTMENT, PURSUANT TO ITS
13 TERMS, IN FAVOR OF A TRUST COMPANY, AN ADULT OTHER THAN THE DONEE OF THE
14 POWER OR THE DONEE WHO HOLDS THE POWER IF THE BENEFICIARY IS OTHER THAN THE
15 DONEE, WHOSE NAME IN THE APPOINTMENT IS DESIGNATED IN SUBSTANCE: "AS
16 CUSTODIAL TRUSTEE FOR _____ (NAME OF BENEFICIARY) UNDER THE UNIFORM
17 CUSTODIAL TRUST ACT PURSUANT TO TITLE 14, CHAPTER 9, ARIZONA REVISED
18 STATUTES".

19 7. DELIVERY OF A WRITTEN NOTIFICATION OR ASSIGNMENT OF A RIGHT TO
20 FUTURE PAYMENT UNDER A CONTRACT TO AN OBLIGOR THAT TRANSFERS THE RIGHT UNDER
21 THE CONTRACT TO A TRUST COMPANY, AN ADULT OTHER THAN THE TRANSFEROR OR THE
22 TRANSFEROR IF THE BENEFICIARY IS OTHER THAN THE TRANSFEROR, WHOSE NAME IN THE
23 NOTIFICATION OR ASSIGNMENT IS DESIGNATED IN SUBSTANCE: "AS CUSTODIAL TRUSTEE
24 FOR _____ (NAME OF BENEFICIARY) UNDER THE UNIFORM CUSTODIAL TRUST
25 ACT PURSUANT TO TITLE 14, CHAPTER 9, ARIZONA REVISED STATUTES".

26 8. EXECUTION, DELIVERY AND RECORDATION OF A CONVEYANCE OF AN INTEREST
27 IN REAL PROPERTY IN THE NAME OF A TRUST COMPANY, AN ADULT OTHER THAN THE
28 TRANSFEROR OR THE TRANSFEROR IF THE BENEFICIARY IS OTHER THAN THE TRANSFEROR,
29 DESIGNATED IN SUBSTANCE: "AS CUSTODIAL TRUSTEE FOR _____ (NAME OF
30 BENEFICIARY) UNDER THE UNIFORM CUSTODIAL TRUST ACT PURSUANT TO TITLE 14,
31 CHAPTER 9, ARIZONA REVISED STATUTES".

32 9. ISSUANCE OF A CERTIFICATE OF TITLE BY AN AGENCY OF A STATE OR OF
33 THE UNITED STATES THAT EVIDENCES TITLE TO TANGIBLE PERSONAL PROPERTY THAT IS
34 EITHER:

35 (a) ISSUED IN THE NAME OF A TRUST COMPANY, AN ADULT OTHER THAN THE
36 TRANSFEROR OR THE TRANSFEROR IF THE BENEFICIARY IS OTHER THAN THE TRANSFEROR,
37 DESIGNATED IN SUBSTANCE: "AS CUSTODIAL TRUSTEE FOR _____ (NAME OF
38 BENEFICIARY) UNDER THE UNIFORM CUSTODIAL TRUST ACT PURSUANT TO TITLE 14,
39 CHAPTER 9, ARIZONA REVISED STATUTES".

40 (b) DELIVERED TO A TRUST COMPANY OR AN ADULT OTHER THAN THE TRANSFEROR
41 OR ENDORSED BY THE TRANSFEROR TO THAT PERSON, DESIGNATED IN SUBSTANCE: "AS
42 CUSTODIAL TRUSTEE FOR _____ (NAME OF BENEFICIARY) UNDER THE UNIFORM
43 CUSTODIAL TRUST ACT PURSUANT TO TITLE 14, CHAPTER 9, ARIZONA REVISED
44 STATUTES".

1 10. EXECUTION AND DELIVERY OF AN INSTRUMENT OF GIFT TO A TRUST COMPANY
2 OR AN ADULT OTHER THAN THE TRANSFEROR, DESIGNATED IN SUBSTANCE: "AS CUSTODIAL
3 TRUSTEE FOR _____ (NAME OF BENEFICIARY) UNDER THE UNIFORM CUSTODIAL
4 TRUST ACT PURSUANT TO TITLE 14, CHAPTER 9, ARIZONA REVISED STATUTES".

5 14-9119. Applicable law

6 A. THIS CHAPTER APPLIES TO A TRANSFER OR DECLARATION CREATING A
7 CUSTODIAL TRUST THAT REFERS TO THIS CHAPTER IF, AT THE TIME OF THE TRANSFER
8 OR DECLARATION, THE TRANSFEROR, BENEFICIARY OR CUSTODIAL TRUSTEE IS A
9 RESIDENT OF OR HAS ITS PRINCIPAL PLACE OF BUSINESS IN THIS STATE OR CUSTODIAL
10 TRUST PROPERTY IS LOCATED IN THIS STATE. THE CUSTODIAL TRUST REMAINS SUBJECT
11 TO THIS CHAPTER DESPITE A LATER CHANGE IN RESIDENCE OR PRINCIPAL PLACE OF
12 BUSINESS OF THE TRANSFEROR, BENEFICIARY OR CUSTODIAL TRUSTEE, OR REMOVAL OF
13 THE CUSTODIAL TRUST PROPERTY FROM THIS STATE.

14 B. A TRANSFER MADE PURSUANT TO AN ACT OF ANOTHER STATE SUBSTANTIALLY
15 SIMILAR TO THIS CHAPTER IS GOVERNED BY THE LAW OF THAT STATE AND MAY BE
16 ENFORCED IN THIS STATE.

17 Sec. 2. Short title

18 Title 14, chapter 9, Arizona Revised Statutes, as added by this act,
19 may be cited as the "Uniform Custodial Trust Act".

APPROVED BY THE GOVERNOR MAY 15, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 15, 2002.

Passed the House May 2, 2002,

by the following vote: 47 Ayes,

7 Nays, 6 Not Voting

[Signature]
Speaker of the House

Speman L. Moore
Chief Clerk of the House

Passed the Senate March 25, 2002,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

[Signature]
President of the Senate

Charmain Bullen
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

 day of , 20 ,

at o'clock M.

Secretary to the Governor

Approved this day of

 , 20 ,

at o'clock M.

Governor of Arizona

S.B. 1470

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this day of , 20 ,

at o'clock M.

Secretary of State

SENATE CONCURS IN HOUSE AMENDMENTS
AND FINAL PASSAGE

Passed the Senate May 9, 2002

by the following vote: 27 Ayes,

0 Nays, 3 Not Voting

Randall Ainsworth
President of the Senate
Charmian Bellington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

9 day of May, 2002

at 2:48 o'clock P M.

Sandra Ramirez
Secretary to the Governor

Approved this 15 day of

May, 2002,

at 9:45 o'clock A M.

Janice K. Hull
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 15 day of May, 2002

at 4:39 o'clock P M.

Robert Bayless
Secretary of State

S.B. 1470